

Attachment 6

Sample Written Orders and Enforcement Actions to Address Idled Wells

There are multiple avenues to obtain an operator's compliance in returning a well to production. The Bureau of Land Management (BLM) has provided sample language for plug or produce letters, 60-day letters, and enforcement actions. The BLM provided the sample text with the problem and corrective action identified and without the appeal language. This allows a certified Petroleum Engineering Technician (PET) to use the language in the Written Order (WO) or Incident of Noncompliance (INC) form. As always, the non-certified field office staff may use the letter form of a WO or INC as per BLM's internal policy with the appeals language. Remember to enter WOs and INCs into the Automated Fluid Mineral Support System's (AFMSS) enforcement screens.

WRITTEN ORDERS

Plug or Produce Letter, Single Well

Problem No. [WO NUMBER]: BLM records indicate the [WELL], located in the [WELL LOCATION], last produced [PRODUCTION] during the month of [LAST PRODUCTION MONTH & YEAR].

Corrective Action: Regulations at 43 CFR 3162.3-4(a) state, "The operator shall promptly plug and abandon, in accordance with a plan first approved in writing or prescribed by the Authorized Officer, each newly completed or recompleted well in which oil or gas is not encountered in paying quantities or which, after being completed as a producing well, is demonstrated to the satisfaction of the Authorized Officer to be no longer capable of producing oil or gas in paying quantities..."

For the [WELL], you are hereby ordered to submit a viable plan to return the well to production—including timeframes—or submit a notice of intent to abandon sundry notice to plug and abandon the well. This information will need to be submitted within **thirty (30)** days of receipt of this letter.

Failure to timely respond to this Written Order is a violation of 43 CFR 3162.1(a) and may result in the issuance of an Incident of Noncompliance, an increase in bonding, and/or orders to promptly plug and abandon the well listed above

Plug or Produce Letter, Multiple Wells (Letter Format)

Problem: The BLM records indicate that your company has multiple nonoperational Federal wells. The following list was compiled by using the Bureau of Land Management's (BLM) Automated Fluid Mineral Support System (AFMSS) and the reports submitted by your company to the Office of Natural Resources Revenue (ONRR).

Problem No.	Lease No.	Agreement No.	Well Name	Well No.	Status	QtrQtr	Sec.	Twp.	Rng.	County
[WO]	[Lease]	[Agrmt]	[Well]	[Well]	[Stat]	[loc]	[loc]	[loc]	[loc]	[loc]

Corrective Action: Regulations at 43 CFR 3162.3-4(a) state, “The operator shall promptly plug and abandon, in accordance with a plan first approved in writing or prescribed by the Authorized Officer, each newly completed or recompleted well in which oil or gas is not encountered in paying quantities or which, after being completed as a producing well, is demonstrated to the satisfaction of the Authorized Officer to be no longer capable of producing oil or gas in paying quantities...”

For the wells identified above, you are hereby ordered to submit a viable plan to return each well to production—including timeframes—or submit a notice of intent to abandon sundry notice to plug and abandon the wells. This information will need to be submitted within **sixty (60)** days of receipt of this letter.

Failure to timely respond to this Written Order is a violation of 43 CFR 3162.1(a) and may result in the issuance of an Incident of Noncompliance, an increase in bonding, and/or orders to promptly plug and abandon the well listed above.

60-Day Letter – Lease Not Producing & Well Not Capable of Production

Problem: The BLM has determined that Federal lease **[CASE NUMBER]** is no longer capable of production in paying quantities. The following list of wells within Federal lease **[CASE NUMBER]** was compiled by using the Bureau of Land Management’s (BLM) Automated Fluid Mineral Support System (AFMSS) and the reports submitted by your company to the Office of Natural Resources Revenue (ONRR).

Problem No.	Well Name	Well No.	Status	QtrQtr	Sec.	Twp.	Rng.	County
[WO]	[Well]	[Well]	[Stat]	[loc]	[loc]	[loc]	[loc]	[loc]

Corrective Action: Therefore, in accordance with 43 CFR 3107.2-2 you are instructed to place the lease back on production or demonstrate the well’s capability to produce in paying quantities. Production in paying quantities must be resumed or you must submit information to this office demonstrating the well is capable of producing in paying quantities within 60 days of receipt of this letter **[NOTE: Per 43 CFR 3107.2-2, this time frame must be 60 days]**. If you resume production, a production startup notice must be filed with our office pursuant to 43 CFR 3162.4-1(c) within 5 days of resuming production.

Production in "paying quantities" means actual production or the capability to produce a volume which would exceed operation costs, including: government or minimum royalties, overriding royalties, administrative expenses, labor, state taxes, and other routine costs such as workovers and equipment replacement.

Failure to meet the above requirement will result in our conclusion that Federal lease **[CASE NUMBER]** is no longer capable of production in paying quantities and Federal lease **[CASE**

NUMBER will be terminated. If you do not plan to reestablish production in paying quantities, you are required to submit a notice of intent to abandon for each well on lease within 60 days of receipt of this letter.

60-Day Letter – Lease Not Producing & Well Still Capable of Production

Problem: BLM records indicate Federal lease **CASE NUMBER** has not produced since **LAST PRODUCTION DATE**. The following list of wells within Federal lease **CASE NUMBER** was compiled by using the Bureau of Land Management’s (BLM) Automated Fluid Mineral Support System (AFMSS) and the reports submitted by your company to the Office of Natural Resources Revenue (ONRR).

Problem No.	Well Name	Well No.	Status	QtrQtr	Sec.	Twp.	Rng.	County
[WO]	[Well]	[Well]	[Stat]	[loc]	[loc]	[loc]	[loc]	[loc]

Corrective Action: Therefore, in accordance with 43 CFR 3107.2-3 you are instructed to place the lease back on production. Production in paying quantities must be resumed within 60 days of receipt of this letter **[NOTE: Per 43 CFR 3107.2-3, this time frame can be more than 60 days]**. If you resume production, a production startup notice must be filed with our office pursuant to 43 CFR 3162.4-1(c) within 5 days of resuming production.

Failure to meet the above requirement will result in our conclusion that Federal lease **CASE NUMBER** is no longer capable of production in paying quantities and Federal lease **CASE NUMBER** will be terminated. If you do not plan to reestablish production in paying quantities, you are required to submit a notice of intent to abandon for each well on lease within 60 days of receipt of this letter.

60-Day Letter – Agreement Not Producing

Problem: BLM records indicate Federal **CASE TYPE** **CASE NUMBER** has not produced since the month of **LAST PRODUCTION MONTH & YEAR**. The following list of wells within Federal **CASE TYPE** **CASE NUMBER** was compiled by using the Bureau of Land Management’s (BLM) Automated Fluid Mineral Support System (AFMSS) and the reports submitted by your company to the Office of Natural Resources Revenue (ONRR).

Problem No.	Well Name	Well No.	Status	QtrQtr	Sec.	Twp.	Rng.	County
[WO]	[Well]	[Well]	[Stat]	[loc]	[loc]	[loc]	[loc]	[loc]

Corrective Action: Therefore, in accordance with Section **SECTION THAT GOVERNS CASE TERMINATION¹** of **UNIT NAME or CA CASE NUMBER** you are instructed to place the agreement back on production. Production in paying quantities must be resumed within **TIME-FRAME FOR AGREEMENT** days of receipt of this letter. If you resume production, a

¹ Oil and gas agreements are not governed by 43 CFR 3107.2-2 or 43 CFR 3107.2-3. These sections of the regulations only apply to leases; therefore, BLM needs to reference the section of the agreement that references the criteria for the agreement’s termination.

production startup notice must be filed with our office pursuant to 43 CFR 3162.4-1(c) within five (5) days of resuming production.

Failure to meet the above requirement will result in the termination of Federal [CASE TYPE] [CASE NUMBER]. If you do not plan to reestablish production in paying quantities, you are required to submit a notice of intent to abandon for each well on lease within [TIME-FRAME FOR AGREEMENT] days of receipt of this letter.

Demand Plug Letter

Problem: BLM records indicate Federal lease [CASE NUMBER] terminated [OR EXPIRED] on [DATE]. The BLM compiled the following list of wells within Federal lease [CASE NUMBER] by using the Bureau of Land Management’s (BLM) Automated Fluid Mineral Support System (AFMSS) and the reports submitted by your company to the Office of Natural Resources Revenue (ONRR).

Problem No.	Well Name	Well No.	Status	QtrQtr	Sec.	Twp.	Rng.	County
[WO]	[Well]	[Well]	[Stat]	[loc]	[loc]	[loc]	[loc]	[loc]

Corrective Action: Regulations at 43 CFR 3162.3-4(a) state, “The operator shall promptly plug and abandon, in accordance with a plan first approved in writing or prescribed by the Authorized Officer, each newly completed or recompleted well in which oil or gas is not encountered in paying quantities or which, after being completed as a producing well, is demonstrated to the satisfaction of the Authorized Officer to be no longer capable of producing oil or gas in paying quantities...”

For the wells identified above, you are hereby ordered to submit a notice of intent to abandon sundry notice to plug and abandon each well identified above. This information will need to be submitted within thirty (30) days of receipt of this letter.

Mechanical Integrity Tests

Problem No. [WO NUMBER]: BLM records indicate the [WELL], located in the [WELL LOCATION], last produced on [LAST PRODUCTION DATE]. In order for BLM to allow the continued shut-in status of the [WELL], BLM needs to verify the mechanical integrity of the wellbore.

Corrective Action: Per 43 CFR 3162.4-2(b), the operator shall conduct a Mechanical Integrity Test on the [WELL] to ensure the mechanical integrity of the downhole equipment.

A Mechanical Integrity Test will be performed after isolating the wellbore with a bridge plug, or similar isolating device, set 100 feet or less above the highest open perforation. The pressure test shall be liquid at an initial stabilized surface pressure of XXXX psi, with no more than a 10 percent drop during a 30-minute period. The test may be repeated if the pressure loss or gain is determined to be the result of compression related to gas dissolution from the fluid column or temperature effects related to the fluid used to load the column. [MODIFY TEST]

REQUIREMENTS TO MEET THE NEEDS OF FO² The results of the Mechanical Integrity Test must be submitted within 60 days of receipt of this letter with any plans to repair or plug the well if the well fails the Mechanical Integrity Test.

Production Tests

Problem No. [WO NUMBER]: BLM records indicate the [WELL], located in the [WELL LOCATION], last produced on [LAST PRODUCTION DATE]. In order for BLM to allow the continued shut-in status of the [WELL], BLM needs to verify the production capability of the well.

Corrective Action: Per 43 CFR 3162.4-2(b), the operator shall conduct a 24-hour production test on the [WELL] to ensure the well is still capable of production in lease paying quantities. The results of the production test must be submitted within 60 days of receipt of this letter with documentation demonstrating the well is capable of producing in paying quantities.

INCIDENTS OF NONCOMPLIANCE

Temporarily Abandon a Well without BLM Approval

Violation No. [INC NUMBER]: BLM records indicate that the [WELL], located in the [WELL LOCATION], was temporarily abandoned on [DATE] without BLM approval.

Corrective Action: The regulations at 43 CFR § 3162.3-4(c) state, “No well may be temporarily abandoned for more than 30 days without the prior approval of the Authorized Officer. The Authorized Officer may authorize a delay in the permanent abandonment of a well for a period of 12 months.”

Therefore, you are hereby ordered to submit either a sundry notice requesting approval of the temporary abandonment or a notice of intent to abandon the [WELL] within 30 days of receipt of this incident of noncompliance.

Return a Well to Production Without Notice to the BLM

Violation No. [INC NUMBER]: BLM records indicate that the [WELL], located in the [WELL LOCATION], was returned to production on [DATE] without notifying the BLM of the production within five business days.

Corrective Action: The regulations at 43 CFR § 3162.4-1(c) state, “Not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the Authorized Officer by letter or

² Testing and evaluation methods for assessing mechanical integrity can vary considerably due to the variation in a well’s age and construction; therefore, please review the conditions of the wellbore and coordinate with the inspection and enforcement staff to determine the appropriate well test.

sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed.”

Therefore, you are hereby ordered to submit a sundry notice notifying the BLM of the return-to-production date for the [WELL] within 30 days of receipt of this incident of noncompliance.